



Health Capsule

The Division of Pensions and Benefits ♦ For County, Municipal, and School Board Employees ♦ Issue #17

Open Enrollment For Plan Year 2005

This year's State Health Benefits Program (SHBP) Open Enrollment for all eligible local employees will be held from October 1 through November 1, 2004. This is your annual opportunity to review, make changes, and/or add dependents to your health plan, and if your employer participates, your prescription drug plan benefits. Coverage changes made during this Open Enrollment will be effective on January 1, 2005.

How to Enroll and/or Make Changes

The Open Enrollment period is your opportunity to review your medical coverage to make sure that your plan covers the services you and your dependents need and the providers you want are available to you. You may:

- ♦ enroll in a plan offered by the SHBP if you have not previously done so;
- ♦ change to a different health plan;
- ♦ add eligible dependents you have not previously enrolled; and
- ♦ drop dependents.

To enroll or make a change to your coverage, contact your human resources representative or benefits administrator to obtain an application. Health and/or prescription drug coverage (if provided by your employer) changes are made on the same application. Completed applications must be returned to your human resources representative or benefits administrator by November 1, 2004. Do not send applications directly to the SHBP. For more information on the plans offered by the SHBP, visit www.state.nj.us/treasury/pensions



Fall 2004

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SHBP Dental Plans Expansion

The State Health Benefits Commission has authorized the extension of the SHBP Dental Plans to participating local employers (so that they may now offer the coverage to their employees) and retired members of the SHBP effective January 1, 2005.

Extension of the Employee Dental Plans to Participating Local Employers

Effective January 1, 2005 participating SHBP employers may adopt the Employee Dental Plans for their active employees by completing and filing the appropriate resolution with the SHBP. The Employee Dental Plans include the Dental Expense Plan (an indemnity plan) as well as the pre-paid, Dental Plan Organizations, which currently include ten organizations. An employer must agree to participate in the dental plans for 12 consecutive months and an employee who enrolls in a dental plan must participate in their chosen plan for a minimum of 12 consecutive months. Dental coverage will also be available to eligible dependents.

If your employer elects to offer the plans, you will be provided with *Continued on page 2*

SHBP Dental Plans Expansion *(Continued from page 1)*

detailed information on benefits, eligibility, enrollment, and costs at that time. You may visit our Web site to obtain further information on the Employee Dental Plans at www.state.nj.us/treasury/pensions

Retiree Dental Expense Plan

The State Health Benefits Commission will also offer a Retiree Dental Expense Plan to eligible retirees effective January 1, 2005. The Retiree Dental Expense Plan will be administered by Aetna Dental.

To enroll, a retiree must be eligible for coverage in the Retiree Group of the SHBP. The plan will also cover the retiree's eligible dependents. This plan reimburses covered services provided by any licensed dental provider at a percentage of reasonable and customary fees based on a three tiered schedule depending on the length of dental coverage prior to enrollment. Covered services include preventive, basic restorative, and major restorative. There is a \$50 deductible per member with a \$150 family maximum. A summary description of the plan and the benefits available to retirees can be found in Fact Sheet #73, *Retiree Dental Expense Plan*, which is available on our Web site at www.state.nj.us/treasury/pensions. A *Retiree Dental Expense Plan* handbook will be available on our Web site in January 2005.

Prescription Mail Service Option under the Traditional Plan and NJ PLUS

Horizon Blue Cross Blue Shield of New Jersey (BCBSNJ) contracts with Advance PCS, a Caremark company, to administer the Employee Prescription Drug Reimbursement Plan for Traditional Plan and NJ PLUS members who do not have a separate prescription drug plan through their employer.

Beginning January 1, 2005, prescription drugs can now be obtained through a new mail order service. This service will allow eligible members to obtain maintenance prescription drugs by mail from AdvanceRx.com, the mail service pharmacy owned and operated by Advance PCS. Maintenance prescription drugs are those you use regularly that are prescribed on a long-term basis by your doctor. Key features of the mail service option are outlined below:

- ♦ **Convenient and Safe Home Delivery** — You can expect reliable and safe home delivery of your medication. You can receive an extended supply of medication saving you trips to the local pharmacy. Additionally, mail service prescription drug packages cannot be opened or resealed without showing evidence of tampering. The mailing label reflects a return address but does not indicate that the package is from a pharmacy. Prescription drugs are also packaged to maintain the proper temperature during shipping.
- ♦ **About Your Cost** — The AdvanceRx.com mail service pharmacy operates like a retail pharmacy. AdvanceRx.com will charge you a discounted price for your medication, and BCBSNJ will reimburse you for the applicable percentage of the discounted price after you have satisfied your deductible. Using the mail service pharmacy can save you money.

Prior to the start of this service on January 1, 2005, enrolled SHBP members will get further communications by direct mail from BCBSNJ and AdvancePCS regarding how to obtain prescription drugs through the Employee Prescription Drug Reimbursement Plan's mail service option. If you have any questions regarding this mail order service, contact BCBSNJ at 1-800-414-7427. (This service is available to Traditional Plan and NJ PLUS members who do not have a separate prescription drug plan through their employer. If your employer provides a separate prescription drug plan, questions concerning mail service should be referred to your plan.)



Domestic Partnership Act

Chapter 246, P.L. 2003, the Domestic Partnership Act, recognizes and supports adult individuals in New Jersey who wish to establish a domestic partnership. This law became effective July 10, 2004 and provides that two persons who desire to become domestic partners may execute and file an *Affidavit of Domestic Partnership* with any New Jersey local registrar provided they meet the requirements and provisions of the law. The law also permits local public employers that participate in the SHBP to extend SHBP benefits to same-sex domestic partners of their employees and retirees.

Eligibility — The SHBP coverage provisions of the Domestic Partnership Act apply to employees of local public entities only if the employer's governing body adopts the benefit by resolution. The employee must also obtain a New Jersey *Certificate of Domestic Partnership* from the State of New Jersey (or a valid certification from another jurisdiction that recognizes same-sex domestic partners, civil unions, or similar same-sex relationships). The law specifically states that the pension and health benefit provisions of the law do not apply to opposite-sex domestic partners because they could obtain those benefits by exercising the option of marriage.

Applying for SHBP Coverage for an Eligible Domestic Partner — To apply for domestic partnership coverage, eligible SHBP members must provide a *Certificate of Domestic Partnership* along with a completed SHBP enrollment application, which can be obtained from your benefits office. The certificate and completed application must be returned to your benefits administrator or human resources representative.

Tax Implications — SHBP members need to be aware of the possible federal tax implications of adding a domestic partner to SHBP benefits. Since the federal tax code does not view domestic partners in the same manner as spouses, your employer may have to treat the domestic partner SHBP benefit as taxable to you and withhold federal income, Social Security, and Medicare taxes on its value. If you want to claim a federal tax dependency exemption for a domestic partner, contact the Internal Revenue Service or see *IRS Tax Topic 354 — Dependents* for more details. The domestic partnership benefit is not subject to New Jersey State income tax. For more information see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*. This fact sheet is available on our Web site at: www.state.nj.us/treasury/pensions/fact71.htm

Verification Needed When Enrolling Your New Spouse or Domestic Partner

If you are a SHBP member who recently married or united in a domestic partnership and wish to cover your new spouse or partner under your health, prescription and/or dental coverage, you must provide the SHBP with a copy of the marriage certificate or *Certificate of Domestic Partnership*. This is also the case for new employees joining the SHBP who wish to cover a spouse or domestic partner when enrolling in the SHBP. When applying for coverage, a copy of either certificate should be submitted along with your SHBP enrollment application to your benefits administrator or human resources representative. You are not eligible to enroll your domestic partner for coverage unless your employer has adopted the benefit by resolution.

HIPAA Notice for 2004

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires group health plans to implement several provisions contained within the law or annually notify its membership of any provisions for which they file an exemption.

For the plan year that began January 1, 2004, all SHBP health plans meet or exceed the federal requirements, with the exception of mental health parity for the Traditional Plan and NJ PLUS. The State Health Benefits Commission has filed an exemption from the area of mental health parity for non-biologically based mental illness with the federal Centers for Medicare and Medicaid Services for calendar year 2004 for the Traditional Plan and NJ PLUS. As a result, the maximum annual and lifetime dollar limits for mental health benefits under the Traditional Plan and NJ PLUS, as outlined in the *SHBP Summary Program Description*, and Traditional Plan and NJ PLUS member handbooks have not changed.

COBRA for Overage Dependents

Do you have a child who turned/or will turn age 23 during this year? A dependent child who is age 23 as of December 31 will automatically be deleted from your coverage after December 31, 2004. However, your overage child may continue the same group coverage under the provisions of the federal COBRA law.

Under COBRA, your overage dependent will be billed once a month for the COBRA coverage (cost plus a 2 percent administrative charge) and can continue the coverage for up to 36 months. Dependents may enroll in any of the health and/or prescription drug plans for which they are eligible.

To ensure receipt of a COBRA notice and application, you must notify your benefits administrator if your dependent is no longer eligible. Your dependent child must submit a completed COBRA application within 60 days of the date your employer provides you with a COBRA notice or 60 days from the date of termination, whichever is later.

Overage dependents with disabilities

Unmarried children with disabilities who turn age 23 in 2004, who are still dependent on you for support, may remain on your health plan upon approval of their disabled status. Requests for the continuation of coverage must be sent to the SHBP by the January 31, 2005 deadline. To apply for an extension of health benefits coverage for a dependent with disabilities, write to the Division of Pensions and Benefits, State Health Benefits Program, PO Box 299, Trenton, NJ 08625-0299 or call (609) 292-7524. Please provide your name, address, and Social Security number, and ask for the *Request for Continuance for Dependent with Disabilities* form.

"How's Your Health, New Jersey?"

SHBP members and all New Jersey residents now have a valuable opportunity to get immediate and free feedback on the state of their health — and how to improve it — by simply logging on to the Internet and completing the survey at www.howsyourhealthnj.org

The "How's Your Health, New Jersey" survey is a short and user-friendly method of providing you with personalized advice on preventive care and chronic illness management. Survey results will be analyzed by a clinical team from New Jersey's Health Care Quality Institute, who will send back some diagnostic information and questions for you to share with your own doctor. The goal of the survey is to promote a more productive relationship between you and your health care providers.

"How's Your Health, New Jersey" will enable consumers to get a quick check-up on their health needs, become more informed health care consumers, and improve communication with their doctors. New Jersey is the first state in the nation to implement "How's Your Health" State-wide — so take advantage of this new and important health care tool.

"How's Your Health, New Jersey" is made possible through a group effort by the New Jersey Health Care Quality Institute, the New Jersey Chamber of Commerce, the State of New Jersey, and the New Jersey Health Care Payers Coalition. It is supported financially by the Commonwealth Fund and the Robert Wood Johnson Foundation, private foundations that support independent research on health issues.

New Jersey SHBP

Health Capsule

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Health Capsule is published periodically for municipal, county and school board employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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